

STATE OF IOWA  
PROPERTY ASSESSMENT APPEAL BOARD

**Robert D. & Barbara K. Crosby,**  
Petitioners-Appellants,

v.

**Cerro Gordo County Board of Review,**  
Respondent-Appellee.

**ORDER**

**Docket No. 11-17-0262**  
**Parcel No. 05-15-182-017-00**

On September 11, 2012, the above-captioned appeal came on for hearing before the Iowa Property Assessment Appeal Board. The appeal was conducted under Iowa Code section 441.37A(2)(a-b) and Iowa Administrative Code rules 701-71.21(1) et al. Petitioners-Appellants Robert D. and Barbara K. Crosby were self-represented. The Board of Review designated Assistant County Attorney Steven Tynan as its legal representative and participated by telephone. Both parties submitted documentary evidence in support of their position. The Appeal Board now having examined the entire record, heard the testimony, and being fully advised, finds:

***Findings of Fact***

Robert D. and Barbara K. Crosby, owners of property located on 3503 North Shore Drive, Clear Lake, Iowa, appeal from the Cerro Gordo County Board of Review decision reassessing their property. According to the property record card, the subject property consists of a one-story frame, bi-attached dwelling with 1425 square feet of living area and 1425 square feet of basement finish on the north shoreline of Clear Lake. It was built in 1994 and has 8% physical depreciation. The dwelling is in very good condition and has a 2+10 quality grade. It is improved by a 539 square-foot attached garage.

The improvements are situated on a lakeshore lot with 42.5 feet of lake frontage, a depth of 111 square feet, and a depth factor of 0.95. The parcel has 42.0 effective front feet, a -2% influence factor for frontage exceeding 40 feet, and a base rate of \$7600 per effective front foot.

The real estate was classified as residential on the initial assessment of January 1, 2011, and valued at \$595,160, representing \$297,180 in land value and \$297,980 in improvement value.

Crosbys protested to the Board of Review on the grounds the assessment is not equitable as compared to like properties in the taxing jurisdiction under Iowa Code section 441.37(1)(a)(1), and that the property was assessed for more than authorized by law under section 441.37(1)(a)(2).

The Board of Review denied the protest. Crosbys then appealed to this Board asserting the same grounds. They seek a land value of \$216,920 and a building value of \$240,000 for a total value of \$456,920.

Crosbys assert the assessed value of their land is the highest per front foot of any nearby property and estimate their land is valued almost \$1000 per front foot higher than the compared properties. Crosby prepared a list of land assessment of other lakefront properties on a per-linear-foot of shore-frontage value. They divided the land assessment by the actual lakefront footage to arrive at per-front-foot values.

The Board of Review provided an explanation of the method used by the assessor's office for calculating land values based on front footage. The lot's dimensions were used to calculate the effective front foot of lakeshore by first adjusting the actual frontage by a depth factor, then multiplying the result by a base rate after any influence factor is applied. The assessor uniformly applied a unit price of \$7600 per *effective* front foot in the Lakeside neighborhood. The following chart summarizes the method used by the assessor as noted on the property record cards for each compared lot.

Land Values	Lake Frontage	Effective Depth	Depth Factor	Base Rate	Adjusted Rate	Effective Front Foot	Influence Factor	Assessed Value
Subject Property	42.5	111	0.95	\$ 7,600	\$ 7,220	42	-2%	\$ 297,180
3501 North Shore	55.0	117	0.96	\$ 7,600	\$ 7,296	55	-13%	\$ 349,110
3507 North Shore	90.0	102	0.92	\$ 7,600	\$ 6,992	90	-27%	\$ 459,370
3509 North Shore	78.0	103	0.92	\$7,600	\$ 6,992	78	-24%	\$ 414,490

We note Crosbys used a different method of calculating the properties' unit values of the properties than used by the assessor. Crosbys' method failed to consider or apply any depth, or influence factor to the properties. The assessor considered these factors to calculate *effective* front foot, as opposed to the unadjusted front-foot measurements used by Crosbys.

Crosbys also disputed their dwelling value. In their opinion, their improvements are assessed at a much higher value than similar properties. They seek a total improvement value of \$240,000, based on a comparison of neighborhood dwellings. The properties Crosbys identified are listed below.

Address	Year Built	Phys Depr	Condition	Grade	TSFLA	Base Fin	Garage SF	AV	AVPSF
Subject Property	1994	8	Very Good	2+10	1425	1425	539 <sup>1</sup>	\$ 297,980	\$ 209.11
3405 North Shore	2004	4	Good	3+00	2240	1120	576	\$ 250,820	\$ 111.97
3805 North Shore	1996	8	Good	3+05	1021	1021	571	\$ 198,090	\$ 194.02
4639 North Shore	1970 <sup>2</sup>	20	Good	4+10	1440	500	366	\$ 138,500	\$ 96.18
4645 North Shore	1954	24	Good	4+05	1972	0	488	\$ 122,050	\$ 61.89

We note that the subject property is the only dwelling rated with a grade 2+10 (High) construction quality, while the other properties are inferior and fall within the range of 4+05 (Average) to 3+05 (Good). Similarly, the Crosbys' dwelling is in superior condition to the other properties and is the only property listed in "very good" condition. Two of the properties are considerably older than the subject property and accordingly, have greater deductions for physical depreciation. Crosbys'

<sup>1</sup> The property record card also indicates the garage is 22 feet by 25 feet, or 550 square feet.

<sup>2</sup> This property was built in 1952 and remodeled in 1981, which results in an effective age of 1970.

residence also has more square feet of basement finish than the other properties. The differences between the subject dwelling and those selected for comparison, would account for the higher assessed value, per square foot and does not indicate inequitable assessment.

At hearing, Robert Crosby indicated they were more concerned with the land assessment than the dwelling assessment. He testified, in his opinion all lakeshore lots should be valued at the same rate per frontage foot regardless of the size, depth, or topography of the lots. Crosby also believed their lot should be combined with the lot of the adjacent bi-attached duplex (also referred to as a “twin home”) into one larger lot making them eligible for an excess frontage reduction under the assessor’s pricing method. The assessor considers the standard lot to have 40 feet of frontage and discounts the base rate for frontage exceeding 40 feet in larger lots. We note that the adjacent bi-attached duplex is a separately titled, owned, and assessed parcel from the subject property. Crosby acknowledged their property was listed for sale at \$650,000 in May 2011 and the price has been reduced to \$635,000.

Barbara Crosby testified their home needs updating, such as hardwood floors and granite countertops. A local realtor advised her, the shared bi-attached structure with its common stairs, dock, and insurance expenses, along with the covenant restrictions works against them in the marketplace.

Carol Johnson Horstman, owner of the bi-attached dwelling adjacent to Crosbys, testified that under the covenants the two properties share irrigation and dock expenses, and are required to maintain uniformity in exterior appearance.

Assessor John Boedeker testified on behalf of the Board of Review. He testified that he does a complete revaluation of all property, including lakeside, every year because property values are volatile in the area. He prefers making annual incremental adjustments rather than larger biennial adjustments.

Boedeker explained each dwelling unit of the bi-attached properties at issue are owned individually and the land is a separately deeded parcel. He reported it is common for lakefront



property owners to share a dock and this fact does not lead to combining their two shore lots for assessment. Boedeker uses a base lot size of 40-feet and adjusts for smaller or larger lots. Oversized lots, such as an 80 front-foot one, are reduced because lot sales do not support doubling the sale value for the increased size. The subject property lot was given a 2% adjustment because it is slightly over 40 front feet. The lots are also adjusted for their depth since shallow lots limit buildable area; also, if the depth of the lot exceeds the norm, the extra depth is not as valuable. Boedeker uses 132-foot depth table for these adjustments. He uses a base rate of \$7600 in the subject property's Lakeside neighborhood, and \$7100 in the less desirable Ventura neighborhood. Some the lakeshore prices compared by the Crosbys were located in Ventura.

Because Crosbys' value calculations did not use effective front foot measures, apply any shoreline size adjustments, or any lot depth adjustments their per square foot values vary from the assessors values.

In Boedeker's opinion, the subject property is architecturally better, with more elaborate details and superior workmanship, which cost more to build than the plain stick built dwellings Crosbys used as comparable properties.

Reviewing the record, we find the preponderance of the evidence does not support the Crosbys' contention their assessment is inequitable. We find the Board of Review's explanation of land pricing was reasonable and the method was applied uniformly to other lakefront lots in the area and do not reflect inequitable assessment. Additionally, Crosby did not provide evidence to show the property's correct value. We believe the preponderance of the evidence fails to prove inequitable assessment or over-assessment of Crosbys' property as of January 1, 2011.

### ***Conclusion of Law***

The Appeal Board applied the following law.

The Appeal Board has jurisdiction of this matter under Iowa Code sections 421.1A and 441.37A (2011). This Board is an agency and the provisions of the Administrative Procedure Act apply to it. Iowa Code § 17A.2(1). This appeal is a contested case. § 441.37A(1)(b). The Appeal Board determines anew all questions arising before the Board of Review related to the liability of the property to assessment or the assessed amount. § 441.37A(3)(a). The Appeal Board considers only those grounds presented to or considered by the Board of Review. § 441.37A(1)(b). But new or additional evidence may be introduced. *Id.* The Appeal Board considers the record as a whole and all of the evidence regardless of who introduced it. § 441.37A(3)(a); *see also Hy-vee, Inc. v. Employment Appeal Bd.*, 710 N.W.2d 1, 3 (Iowa 2005). There is no presumption that the assessed value is correct. § 441.37A(3)(a).

In Iowa, property is to be valued at its actual value. Iowa Code § 441.21(1)(a). Actual value is the property's fair and reasonable market value. § 441.21(1)(b). "Market value" essentially is defined as the value established in an arm's-length sale of the property. *Id.* Sale prices of the property or comparable properties in normal transactions are to be considered in arriving at market value. *Id.* If sales are not available, "other factors" may be considered in arriving at market value. § 441.21(2). The assessed value of the property shall be one hundred percent of its actual value. § 441.21(1)(a).

To prove inequity, a taxpayer may show an assessor did not apply an assessing method uniformly to similarly situated or comparable properties. *Eagle Food Centers v. Bd. Of Review of the City of Davenport*, 497 N.W.2d 860, 865 (Iowa 1993). Alternatively, a taxpayer may show the property is assessed higher proportionately than other like property using criteria set forth in *Maxwell v. Shriver*, 257 Iowa 575, 133 N.W.2d 709 (1965). The *Maxwell* test provides that inequity exists when, after considering the actual and assessed values of comparable properties, the subject property is

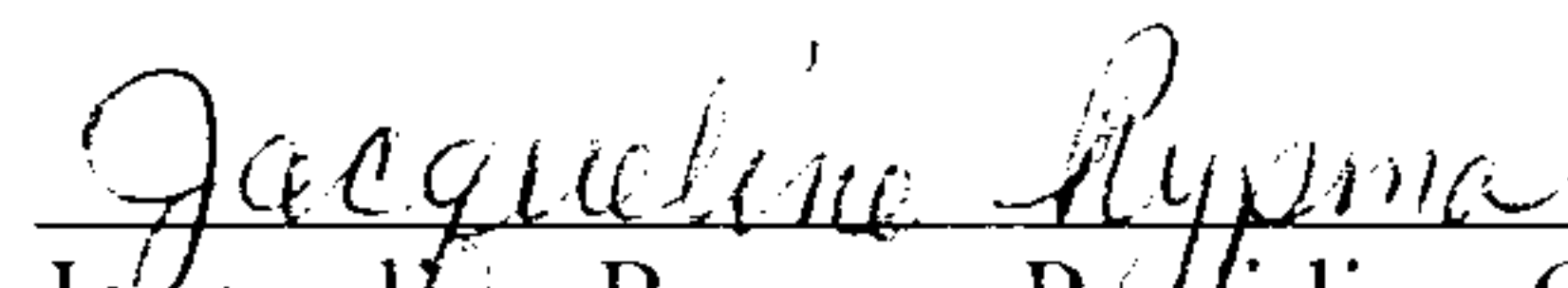
assessed at a higher proportion of this actual value. *Id.* The Maxwell test may have limited applicability now that current Iowa law requires assessments to be at one hundred percent of market value. § 441.21(1). Nonetheless, in some instances, the test may be satisfied. Crosbys did not prove by a preponderance of the evidence that their property is inequitably assessed under either the *Eagle Food* or *Maxwell* tests.


In an appeal alleging the property is assessed for more than the value authorized by law under current Iowa Code section 441.37(1)(a)(2), there must be evidence that: 1) the assessment is excessive and 2) the correct value of the property. *Boekeloo v. Bd. of Review of the City of Clinton*, 529 N.W.2d 275, 277 (Iowa 1995). However, this Board must be presented with more than just general assertions of what affects market value. We must look at market data to determine whether the property is assessed for more than authorized by law. We find Crosbys failed to provide any proof their property is over-assessed and they failed to provide proof of the fair market value of the subject property.

Viewing the record as a whole, we determine the preponderance of the evidence does not support the Crosbys' claims of inequitable assessment and over-assessment as of January 1, 2011.

THE APPEAL BOARD ORDERS the January 1, 2011, assessment as determined by the Cerro Gordo County Board of Review is affirmed.

Dated this 12 day of October 2012.

  
Jacqueline Rypma, Presiding Officer


  
Karen Oberman, Board Member

  
Richard Stradley, Board Chair

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Certificate of Service	
The undersigned certifies that the foregoing instrument was served upon all parties to the above cause & to each of the attorney(s) of record herein at their respective addresses disclosed on the pleadings on <u>10-12</u> , 201 <u>2</u>	
By:	<input checked="" type="checkbox"/> U.S. Mail <input type="checkbox"/> FAX
	<input type="checkbox"/> Hand Delivered <input type="checkbox"/> Overnight Courier
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